The example of the Münster University of Applied Sciences (MAUS) Germany depicts a university that developed a university-wide strategic partnering approach to cooperation with business. Faced with reduced state funding in the late 1990’s, the university embraced the concept of long-term, ‘early-stage’ partnerships and collaboration at the highest level and, as a consequence has been recognised as best-practice nationally for their efforts. Now MUAS is the leading German university of applied science with regard to third-party money.

MUAS was founded in 1971 following mergers of several state-owned and private engineering and building schools. Since that time, MUAS has grown into one of the largest and most successful universities of applied sciences in Germany, with main campuses in the cities Münster and Steinfurt. The university has close to 10,000 students, supported by 800 employees of which 240 are professors who teach and do research in the fields of 12 different faculties and specialist divisions.

The university nowadays is an institute for applied education and research. However, over the last ten years it has acquired an outstanding reputation for its development of the university’s ‘third mission’. This process commenced in 1998 when a university professor with a background in technology marketing was appointed to the position of Vice-Rector for Research Affairs and Technology Transfer. It was the first time in Europe that such a vice-rector had been appointed and it was the start of the university’s focus on increasing third-party money through marketing. A tenet of the newly appointed vice-rector was that if the university is to co-operate more with research partners from industry, and if it requests more money for its research performance, it finds itself in a market. The principle follows that if one wants to be successful in a market, one will necessarily need to undergo and conduct marketing and apply marketing models and instruments.
### AIM AND TARGET

Whilst the university has previously worked with industry, a ‘redirection’ was undertaken in 1998 to incorporate business more centrally in the university’s activities in response to reduced state funding. The objective was to increase third-party money whilst also increasing the relevance of the research and teaching areas through a focus on establishing long-term and strategic partnerships with businesses.

### FUNDING

Internal university resources were re-allocated and re-directed to support an organisation-wide approach to the new directive. The primary source of funding was sought from business in order to support the cooperation process as they were set to be the financial beneficiaries of the research projects and other cooperation types. State, Federal and European-level funding projects were also sought to supplement this cooperation with business.

### IMPLEMENTATION

**STRATEGY AND ACTIONS**

The university implemented a number of pillars upon which the university was able to create a sustainable and long-term commitment to cooperation with business. These initiatives are described below.

The creation of the previously mentioned vice-rector position laid a firm basis for the increase of third-party funds. The aim of this appointment was to differentiate the university from other universities and institutions in the eyes of industry, and to promote partnerships purposefully. In 2004, based on this successful experience, the vice-rector position was re-named Rector for Partnerships and Strategic Alliances.

In their search for information about working more closely with business, a general lack of knowledge around the topic within a European context was observed. As a result, a research centre dedicated to science marketing, The S2BMRC, was established in 2002. The centre is geared to developing international know-how, models, instruments and methods in science-to-business marketing and today numbers approximately 20 staff.

Another strategy and action which MUAS undertakes is an analysis of the awareness, market potential, customer satisfaction and the image (different to other HEIs) which is undertaken every few years. These analyses are there to improve the quality and performance level of MUAS. It also stimulates the university to segment markets based upon market needs and strategically approach targeted clients. The reasoning is that (potential) customers and (potential) partners in the market are not equal to each other. As an example, it was found that companies having their own R&D department perceive a university-industry relationship differently to those not having their own R&D activities. Further, it was discovered that family-owned SMEs are
different to shareholder-owned ones and companies having had previous experience in working with academia behave differently to those not having had this kind of experience. Thus companies differ in terms of some criteria and this segmentation forces the university to strategically approach and communicate with different segments in a different way. Therefore, the university has created different marketing and partnering strategies for these different ‘markets’.

Additionally, a private transfer agency, Transferagentur Fachhochschule Münster GMBH, was created to manage these partnerships. The transfer agency is a privately owned company (49% by the university) which serves as a firm basis for strategic alliances and partnerships with many businesses. It has a total network of approximately 1800 companies, with a total number of 800 projects a year. This total can be divided into different levels of commitment and coordination.

Lastly, in recognising that educating and incentivising academics was essential in increasing cooperation with industry, a research offensive was launched within the university. The initiative had 12 building blocks designed to provide sufficient incentive for academics to get more involved in market-oriented research and transfer. Some of the building block include the following:

- Whoever manages to procure funds from industry receives a financial bonus of 8% (technical) or 12% (non-technical faculty), provided by the university and the state government.
- A ‘space negotiating model’ prescribes that a faculty receives 23 sq m of additional area if it raises €35,000 in third-party funds. As not all faculties have the same possibilities to raise large amounts of third-party funds, the threshold for the additional area also differs depending on the faculty.
- Other measures of research performance, besides third-party funds, such as publications, public presentations and attendance of conferences and symposia are assessed according to a defined point system. In these cases, those who undertake active research are able to reduce their teaching load and receive a salary increase.

As a basis for long-term success, MUAS have defined the following guidelines for research and transfer and anchored these in the university’s strategic planning for 2006-2010:

- R&D is crucial for MUAS and serves to establish and cultivate long-time partnerships with (former) students, research institutions and businesses.
- Research and teaching are equal pillars of the university. Their quality is interdependent. R&D activities provide important impulses for teaching.
- The university seeks to establish long-term and strategic partnerships, which align with the university’s strengths or complement deficiencies in the field of resources and offers.
Private as well as publicly-funded projects have the same value and appreciation in career planning. It is primarily third-party budget from industry, which is to be further enlarged. R&D is beneficial for researchers — through research reputation, better structures and personal advantages. Researchers developing their career by undertaking good research activities will directly benefit from this.

It probably would be the most comprehensible indicator for MUAS to measure the success according to the level of received third-party funds. However, even though this is measured, MUAS prefers to measure the effect of its transfer performances in the economy. Measurement categories include newly established and retained (difficult to measure) job positions, increase in turnover and growth in market share with their customers. Furthermore, MUAS monitors and evaluates the market by doing regular analysis on: 1) awareness of the university in their target groups, 2) image of the university, 3) market potential, 4) customer satisfaction. These analyses are the basis for improving the performance of MUAS and they help to improve the marketing and partnering strategies of MUAS. Additionally, the success of the partnering strategy is measured by new technologies, new clients, the greater market share of the partners, international partners and the number of jobs created.

A long-term perspective to UBC was always a basic tenet in the move to a more market-facing university. However, it recognised the fact that changes needed to be made at a number of levels within the university. The success of the initiative was based upon a triangular approach for innovation and success in knowledge transfer as follows:

- It is strategically embedded and anchored with the university’s board;
- It focuses at an analytical level through the S2BMRC tasked with the job of researching how to link the university better to business and how to improve the marketing competencies of academics, and
- at an operational level, through an agency for technology and knowledge transfer.

The corners of this strategic triangle ‘cross-fertilize’ and thus, jointly influence methods. In addition, they also influence the processes and projects of research and transfer promotion at the university. By operating and directing initiatives at these three levels, the university has ensured a sustainable shift in focus for the university and the academics who undertake it operationally.
MUAS is the leading German university of applied science with regard to third-party money for industrial projects and collaboration and additional federal state funds for R&D. In fact, third-party money generates one-third of all university income. In 2010, MUAS created a total of more than €12m in third-party funds. This was the 12th year in succession that the university had an increase in its third-party funds since introducing the marketing approach.

Moreover, MUAS achievements in this area were recognised in 2007 when MUAS was named one of the Top Universities in Germany applying the best strategies of UB knowledge exchange and tech transfer by the German Federal Ministry of Education and Research and the Initiative of German foundations for the German Sciences (Stifterverband für die Deutsche Wissenschaft). Now MUAS generates the highest amount of 'third party' money (industry contribution) of all universities of applied sciences in Germany.

Whilst many academics believed that Universities-Business Cooperation could only be undertaken in faculties that are technology focused, MUAS puts no focus on technology. The university continues to stimulate UBC throughout all 12 faculties of which only seven of them are technology-oriented, whilst three are business and socially focused, and two of them are design and architectural. Even though one might expect that the technology faculties generate the largest amounts of third-party funding, this has not proven to be the case, with social science being a very high contributor to third-party funding in the university. Through the market research process initiated at the university, the social sciences department were able to identify new markets in working for, or together with, non-profit organisations, social bodies, governmental bodies, and ministerial bodies.

Lastly, the annual allocation of resources within the university towards UBC accounts for a systematic strengthening of research and transfer. When calculating the faculties' budgets, the research-related component contributed 7% on average in 2000, whereas in 2010 it already amounted to 33%. Around 45% of third party money made at the university is attributed to be money direct from companies.

High-level commitment to partnering with industry is a key success factor of MUAS. UBC is supported, starting at the strategic level of the organisation and flowing down to the operational level. The industry focus already starts in the job application, where potential employees who support UBC are favoured. The active implementation of strategies in structures such as the transfer agency and the research
The university has developed a partner relationship management (PRM) system and Stairway Model which places every partner on the stepladder. The model allows for the strategic management of university partnerships as a set of norm strategies have been created for each level of UB relationship (each step in the ladder) to either maintain, increase or decrease the relationship.

At the academic level, the creation of incentives for academics to engage with business has been a further element of the initiative’s success.

In addition to previously mentioned results and achievement, some unintended impacts of the shift in focus of the university have also been documented.

For example, when the university create six academic committees to manage different objectives within the university they included in each committee two persons from industry. The main aim of this, was to stimulate innovation, to professionalise the decision making process and to get a new vision from outside the university. However, having been involved in the university’s decision making process, those from industry then felt some ownership of the university and became advocates for the university within their external networks. In that sense, the university has acquired 12 ambassadors for the university.

Another unintended impact was the creation of positive UB role models which had the effect of further stimulating interest and motivation in other researchers. It was found that as academics were successful in their efforts to work with business, and thus received various incentives for their cooperation such as greater office space, other researchers observed this. This had the affect of influencing them to show more interest in interacting with business.

One of the key strengths of MUAS’s approach is that it has proven to build a longer-term and more sustainable approach to cooperation with business. Furthermore, the approach allows for improvements not only in the area of third-party income but also in the other two aspects in the triple helix, teaching and research.

A perceived weakness could be found in the approach to IP management as this approach has still not been developed sufficiently; and indeed difficulties still occur with it. One of the reasons for this is that all companies are unique, and therefore it is challenging to apply just one system for managing IP. Moreover, sometimes the IP negotiations can also be difficult following joint discovery about who gets to use it, in what way and who earns what.

The case of MUAS contains key learning points for all universities seeking to sustainably increase third-party income through the creation of longer term partnerships with business. Whilst the impact of this focus has not only been felt on the financial-side, greater interaction with business has also had substantial impact on the research and teaching sides. More specifically, there are key aspects of the case that are applicable for other universities.
## THEMES

Increasing third-party Income, Early-stage partnerships, Partnering, Projects with business

## PUBLIC CONTACT DETAILS

Prof. Dr. Thomas Baaken  
Fachhochschule Münster - University of Applied Sciences  
Business-to-Business-, Technology- und Science Marketing  
Johann-Krane-Weg 27, 48149 Münster  
Germany

Phone: +49 251 83 65683  
Email: baaken@fh-muenster.de  
Website: www.fh-muenster.de/fb9/personen/lehrende/baaken  
Website: www.science-marketing.com

## RESOURCES

### DOCUMENTS AND PUBLICATIONS


### DATABASES AND WEBSITES

- https://en.fh-muenster.de/
- www.university-partners.de/fileadmin/imgs/Technologietransfer_Baaken.pdf  
(all accessed 31st May 2011)